

CITY OF BISMARCK EMPLOYEES PENSION FUND
INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2004

	August-04				July-04				Current	Prior Year	3 Years	5 Years
	Allocation		Month		Allocation		Month		Fiscal YTD	FY04	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2004	6/30/2004
LARGE CAP DOMESTIC EQUITY												
Structured Growth												
LA Capital	1,281,052	4.9%	5.1%	-0.57%	1,289,164	5.0%	5.1%	-5.13%	-5.68%	N/A	N/A	N/A
Total Structured Growth	1,281,052	4.9%	5.1%	-0.57%	1,289,164	5.0%	5.1%	-5.13%	-5.68%	19.20%	-5.87%	-7.07%
Russell 1000 Growth				-0.49%				-5.65%	-6.12%	17.88%	-3.74%	-6.48%
Structured Value												
LSV	1,429,785	5.5%	5.1%	1.47%	1,408,748	5.5%	5.1%	-1.26%	0.20%	29.44%	9.20%	8.31%
Russell 1000 Value				1.42%				-1.41%	-0.01%	21.13%	2.96%	0.64%
Enhanced Russell 1000 Index												
LA Capital	1,757,986	6.7%	6.9%	0.10%	1,756,862	6.8%	6.9%	-4.05%	-3.96%	18.59%	-0.17%	N/A
Russell 1000				0.49%				-3.51%	-3.04%	19.46%	-0.32%	N/A
Enhanced S&P 500 Index												
Northern Trust	1,780,631	6.8%	6.9%	0.33%	1,775,205	6.9%	6.9%	-3.67%	-3.35%	19.00%	-0.31%	N/A
Strong	216	0.0%	0.0%	0.00%	54,979	0.2%	0.0%	0.00%	0.00%	21.13%	-0.06%	N/A
Westridge	1,775,875	6.8%	6.9%	0.44%	1,768,918	6.8%	6.9%	-3.30%	-2.88%	19.30%	-0.36%	N/A
Total Enhanced S&P 500 Index	3,556,723	13.6%	13.7%	0.38%	3,599,103	13.9%	13.7%	-3.18%	-2.81%	19.81%	-0.24%	N/A
S&P 500				0.40%				-3.31%	-2.92%	19.11%	-0.69%	N/A
S&P 500 Index												
State Street	905,631	3.5%	3.4%	0.41%	901,990	3.5%	3.4%	-3.31%	-2.92%	19.08%	-0.67%	-2.17%
S&P 500				0.40%				-3.31%	-2.92%	19.11%	-0.69%	-2.20%
TOTAL LARGE CAP DOMESTIC EQUITY	8,931,177	34.2%	34.3%	0.27%	8,955,867	34.7%	34.3%	-3.43%	-3.17%	20.38%	0.08%	-2.14%
S&P 500				0.40%				-3.31%	-2.92%	19.11%	-0.69%	-2.20%
SMALL CAP DOMESTIC EQUITY												
Manager-of-Managers												
SEI	2,668,140	10.2%	10.7%	-1.22%	2,703,063	10.5%	10.7%	-7.32%	-8.45%	33.33%	5.76%	N/A
Russell 2000 + 200bp				-0.35%				-6.57%	-6.89%	35.99%	8.43%	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	2,668,140	10.2%	10.7%	-1.22%	2,703,063	10.5%	10.7%	-7.32%	-8.45%	33.33%	5.76%	6.81%
Russell 2000				-0.51%				-6.73%	-7.21%	33.36%	6.24%	6.63%
INTERNATIONAL EQUITY												
Large Cap - Core												
State Street	161,088	0.6%	0.6%	-0.03%	160,397	0.6%	0.6%	-3.04%	-3.07%	27.44%	0.42%	-1.44%
MSCI EAFE - 50% Hedged				0.12%				-2.80%	-2.68%	26.98%	-1.27%	-1.15%
Large Cap - Active												
Capital Guardian	389,659	1.5%	1.5%	0.33%	387,337	1.5%	1.5%	-2.97%	-2.65%	25.40%	-1.15%	1.54%
Bank of Ireland	78,672	0.3%	0.3%	-0.13%	78,512	0.3%	0.3%	-3.34%	-3.46%	23.61%	N/A	N/A
Total Large Cap - Active	468,331	1.8%	1.8%	0.25%	465,849	1.8%	1.8%	-3.03%	-2.78%	25.11%	-0.79%	1.76%
MSCI EAFE - 50% Hedged				0.12%				-2.80%	-2.68%	26.98%	-1.27%	-1.15%
Small Cap - Active												
Lazard	83,704	0.3%	0.3%	0.66%	82,751	0.3%	0.3%	-2.84%	-2.20%	44.40%	N/A	N/A
Wellington	78,140	0.3%	0.3%	-1.15%	82,752	0.3%	0.3%	-4.65%	-5.75%	42.26%	N/A	N/A
Total Small Cap - Active	161,844	0.6%	0.6%	-0.25%	165,502	0.6%	0.6%	-3.74%	-3.97%	43.25%	N/A	N/A
Citigroup Broad Market Index < \$2BN				1.00%				-4.20%	-3.24%	47.95%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	791,262	3.0%	3.0%	0.09%	791,748	3.1%	3.0%	-3.18%	-3.10%	29.19%	2.00%	1.63%
MSCI EAFE - 50% Hedged				0.12%				-2.80%	-2.68%	26.98%	-1.27%	-1.15%
EMERGING MARKETS EQUITY												
Capital Guardian	364,944	1.4%	1.5%	4.19%	350,259	1.4%	1.5%	-1.94%	2.17%	27.91%	8.93%	2.83%
MSCI Emerging Markets Free				4.19%				-1.77%	2.34%	33.50%	13.09%	3.25%
DOMESTIC FIXED INCOME												
Core Bond												
Western Asset	1,189,088	4.6%	4.0%	2.06%	1,165,300	4.5%	4.1%	1.23%	3.31%	2.02%	8.00%	8.39%
Lehman Aggregate				1.91%				0.99%	2.92%	0.32%	6.35%	6.95%
Active Duration												
WestAM (Criterion)	1,153,909	4.4%	4.0%	1.53%	1,136,253	4.4%	4.1%	0.88%	2.42%	-0.25%	5.14%	6.43%
Lehman Aggregate				1.91%				0.99%	2.92%	0.32%	6.35%	6.95%
Index												
Bank of ND	1,750,518	6.7%	7.7%	2.19%	2,039,728	7.9%	9.0%	0.95%	3.15%	-1.03%	6.88%	7.04%
Bank of ND Match Loan CD Program	599,466	2.3%	2.3%	0.36%	268,990	1.0%	1.0%	0.42%	0.79%	5.08%	5.57%	5.70%
Total Index	2,349,984	9.0%	10.0%	1.84%	2,308,717	8.9%	10.0%	0.85%	2.71%	0.23%	6.79%	6.83%
Lehman Gov/Credit				2.12%				1.06%	3.19%	-0.72%	6.73%	7.10%

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	Allocation		Month		Allocation		Month		Fiscal YTD	FY04	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2004	6/30/2004
Convertibles												
TCW	1,094,615	4.2%	4.0%	-0.36%	1,100,205	4.3%	4.1%	-4.83%	-5.17%	16.74%	0.51%	3.89%
First Boston Convertible Index				-0.30%				-2.49%	-2.78%	14.44%	4.95%	5.78%
BBB Average Quality												
Strong	1,147,224	4.4%	4.0%	2.39%	1,120,448	4.3%	4.1%	1.57%	4.00%	1.29%	6.26%	7.23%
Lehman BBB				2.55%				1.40%	3.99%	1.23%	8.23%	6.60%
Timberland												
Evergreen (Wachovia)	3,629,179	13.9%	13.9%	3.93%	3,492,387	13.5%	13.5%	0.00%	3.93%	10.46%	N/A	N/A
											N/A	N/A
TOTAL DOMESTIC FIXED INCOME	10,563,999	40.5%	40.0%	2.35%	10,323,311	40.0%	40.0%	0.04%	2.40%	5.08%	6.35%	7.34%
Lehman Aggregate				1.91%				0.99%	2.92%	0.32%	6.35%	6.95%
HIGH YIELD BONDS												
Loomis Sayles	470,863	1.8%	1.8%	3.04%	457,709	1.8%	1.8%	1.21%	4.29%	N/A	N/A	N/A
Lehman High Yield Cash Pay Index				1.96%				1.37%	3.36%	N/A	N/A	N/A
Sutter/Wells Capital	472,862	1.8%	1.8%	1.52%	466,216	1.8%	1.8%	1.30%	2.84%	N/A	N/A	N/A
Merrill Lynch High Yield Master II Index				1.84%				1.33%	3.19%	N/A	N/A	N/A
TOTAL HIGH YIELD BONDS	943,725	3.6%	3.5%	2.27%	923,926	3.6%	3.5%	1.26%	3.56%	7.69%	6.68%	2.79%
Lehman High Yield Bond Index				1.96%				1.36%	3.35%	10.33%	9.30%	4.78%
INTERNATIONAL FIXED INCOME												
International Sovereign												
UBS Global (Brinson)	257,676	1.0%	1.0%	2.32%	252,026	1.0%	1.0%	-0.96%	1.33%	7.86%	14.20%	6.47%
Citigroup Non-US Gov't Bond Index (1)				2.45%				-0.88%	1.55%	7.59%	13.65%	6.84%
International Core												
Brandywine	262,794	1.0%	1.0%	1.67%	258,353	1.0%	1.0%	0.27%	1.94%	9.65%	N/A	N/A
Lehman Global Aggregate (ex-US)				2.38%				-0.70%	1.66%	5.20%	N/A	N/A
TOTAL INTERNATIONAL FIXED INCOME	520,470	2.0%	2.0%	1.99%	510,379	2.0%	2.0%	-0.34%	1.64%	8.78%	14.41%	6.59%
Citigroup Non-US Gov't Bond Index (1)				2.45%				-0.88%	1.55%	7.59%	13.65%	6.84%
REAL ESTATE												
J.P. Morgan	804,541	3.1%	3.0%	1.02%	796,453	3.1%	3.0%	0.68%	1.70%	11.11%	7.63%	9.54%
NCREIF TOTAL INDEX				1.03%				1.03%	2.08%	10.82%	8.40%	9.33%
ALTERNATIVE INVESTMENTS												
Coral Partners V	21,922			0.00%	22,702			0.00%	0.00%	-31.07%	-34.06%	-13.63%
Coral Partners V - Supplemental	2,607			0.00%	2,700			0.00%	0.00%	30.44%	N/A	N/A
Coral Partners VI	14,178			0.00%	14,947			0.00%	0.00%	-21.72%	N/A	N/A
Brinson 1998 Partnership Fund	6,067			0.00%	6,282			0.00%	0.00%	9.41%	-7.52%	3.66%
Brinson 1999 Partnership Fund	9,094			0.00%	10,484			0.00%	0.00%	14.66%	-9.09%	-1.33%
Brinson 2000 Partnership Fund	16,812			0.00%	17,410			0.00%	0.00%	11.19%	-6.65%	N/A
Brinson 2001 Partnership Fund	7,760			0.00%	8,036			0.00%	0.00%	6.64%	-2.03%	N/A
Brinson 2002 Partnership Fund	4,408			0.00%	4,565			0.00%	0.00%	14.42%	N/A	N/A
Brinson 2003 Partnership Fund	606			0.00%	628			0.00%	0.00%	-4.63%	N/A	N/A
Brinson 1999 Non-US Partnership Fund	5,110			0.00%	5,291			0.00%	0.00%	21.09%	8.14%	4.24%
Brinson 2000 Non-US Partnership Fund	6,381			0.00%	6,608			0.00%	0.00%	15.38%	5.71%	N/A
Brinson 2001 Non-US Partnership Fund	3,989			0.00%	4,131			0.00%	0.00%	16.63%	3.39%	N/A
Brinson 2002 Non-US Partnership Fund	5,993			0.00%	6,206			0.00%	0.00%	18.67%	N/A	N/A
Brinson 2003 Non-US Partnership Fund	1,420			0.00%	1,471			0.00%	0.00%	-3.93%	N/A	N/A
Brinson 2004 Non-US Partnership Fund	275			0.00%	285			0.00%	0.00%	N/A	N/A	N/A
Brinson BVCF IV	29,024			0.00%	30,057			0.00%	0.00%	21.17%	-9.85%	-10.01%
Matlin Patterson Global Opportunities	32,583			0.00%	43,005			0.00%	0.00%	13.00%	N/A	N/A
InvestAmerica	6,974			0.00%	7,222			0.00%	0.00%	-7.73%	N/A	N/A
Hearthstone MSII	3,410			0.00%	1,708			0.00%	0.00%	28.64%	20.32%	N/A
Hearthstone MSIII	41,009			0.00%	34,675			0.00%	0.00%	N/A	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (2)	219,622	0.8%	1.0%	0.00%	228,413	0.9%	1.0%	0.00%	0.00%	3.07%	-12.87%	-3.91%
CASH EQUIVALENTS												
Northern Trust STIF/STEP	304,543	1.2%	1.0%	0.11%	244,758	0.9%	1.0%	0.12%	0.23%	1.44%	1.86%	3.48%
90 Day T-Bill				0.12%				0.12%	0.24%	0.98%	1.71%	3.29%
TOTAL FUND	26,112,422	100.0%	100.0%	1.12%	25,828,176	100.0%	100.0%	-2.07%	-0.98%	14.85%	4.50%	3.86%
POLICY TARGET BENCHMARK				1.06%				-1.51%	-0.46%	12.08%	4.47%	3.75%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.